

perial Bank was indicated by a law of April 30, 1874, which required the retirement of the paper money issued by the various states not later than July 1, 1875. The Imperial government, in order to promote this policy, was authorized to issue Treasury bonds to the amount of 120,000,000 marks (\$30,000,000) and to apportion them among the states according to population. The paper money in circulation was 61,374,599 thalers (\$45,000,000), and it was not distributed in any such even ratio as the new bonds. The law, in contemplation of this situation, authorized the Imperial Treasury to advance to states which needed an additional allowance to retire their paper money a sum in Treasury bonds equal to two-thirds of the excess of notes above the original apportionment of bonds. These bonds were to be receivable by the Imperial Treasury and were to be convertible on demand into metallic money. The advances of bonds in addition to the apportionment of 120,000,000 marks, were 54,919,941 marks, of which Saxony received 19,013,441 marks; Bavaria, 14,534,975 marks; Baden, 4,577,449 marks; Wurtemberg, 3,309,651 marks; Hesse, 3,250,514 marks; and the other states less than 2,000,000 marks each. Prussia received no additional advance, but her share of the original allotment was 72,145,494 marks. Oldenburg, Lippe, Lubeck, Bremen, Hamburg, and Alsace-Lorraine received no extra advance.

The sixteen banks which decided in 1875 to accept the federal regulation of their circulation and to continue to issue notes were, besides the Imperial Bank and the Bank of Brunswick, the Municipal Bank of Breslau, and the banks of Magdeburg, Dantzig, the Grand Duchy of Posen, Hanover, Frankfort, Bavaria, Saxony, United Deposits at Leipzig, Chemnitz, Wurtemberg, Baden, Southern Germany, and Bremen. Provision was made in the new law for a new bank in Bavaria, with which two existing banks were consolidated, and which was given special permission to issue circulating notes to the amount of 70,000,000 marks. The authorized uncovered circulation of these sixteen banks was 111,125,000 marks, of which the Bank of Bavaria was